FOCUS SECTION
CORPORATE GOVERNANCE

The term "corporate governance" refers to the rules that define policies and procedures of a public company in relation to its shareholders and managers. It ensures public accountability and explains government actions to promote the best practices. Corporate governance provides the basis for a stable and productive business environment. Good corporate governance contributes to sustainable economic development by enhancing the performance of companies and increasing their access to outside capital. A company that ignores corporate governance risks litigation, diminished reputation, and shareholder movements aimed at the company's board of directors.

"The recent corporate scandals and failures, each stemming from different causes, mean companies and institutions cannot afford to have their reputations tarnished by inadequate oversight, lack of transparency and irresponsible business conduct. The decline in public trust has to be restored. Good corporate governance is an essential element of sustainable economic growth in a market economy," according to Güler Manisali Darman, the author of *Corporate Governance Worldwide.* He adds, "Beyond these developments, the waves of privatization, stringent listing requirements, company ratings, mergers and acquisitions as corporate control mechanisms, the increasing role of institutional investors -- mainly pension funds -- and finally, globalization, have all been among the driving forces behind the evolving role of corporate governance."

The key elements of good corporate governance include honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect, and a commitment to the organization. Commonly accepted principles of corporate governance include ensuring the basis for an effective corporate governance framework, their rights and equitable treatment of shareholders, and the interests of other stakeholders, as it also includes the role and responsibilities of the board, including integrity and ethical behaviour as well as financial transparency.

There are certain specific issues involving corporate governance principles. These include oversight of the preparation of the entity's financial statements, internal controls and the independence of the entity's auditors, review of the compensation arrangements for the chief executive officer and other senior executives, the way in which individuals are nominated for positions on the board, and oversight and management of risk.

The Organisation for Economic Co-operation and Development (OECD) is at the forefront of promoting the corporate governance practices and procedures to its member and non-member countries. The OECD Steering Group on Corporate Governance co-ordinates and guides the Organisation's work on corporate governance and related corporate affairs issues, including state-owned assets, market integrity, company law, insolvency and privatization. It believes that corporate governance is one key element in improving economic efficiency and growth as well as enhancing investor confidence. OECD along with its member

governments has recognized the synergy between macroeconomic and structural policies in achieving fundamental policy goals.

"The corporate governance activities of the World Bank focus on standardized assessments of the corporate governance regulations and practice in client countries, identification of best practice, advocacy and capacity-building, and follow-up implementation efforts," says the web site of the International Finance Corporation, a member of the World Bank Group. The U.S. Agency for International Development also works to promote this transformation. It has partnered with the Center for International Private Enterprise to support corporate governance development projects overseas that combine local knowledge with international principles. While several developing countries are taking inspiration from model countries in promoting corporate governance practices, good corporate governance requires transforming political and economic governance arrangements from relationship-based systems to rules-based systems.

In the United States, financial scandals prompted a comprehensive overhaul of laws covering business behavior, in the form of the Sarbanes-Oxley Act of 2002. "Corporate governance has been of interest for a number of years but it was not until Congress passed the Sarbanes-Oxley Act of 2002 that it became critical. This law instructed companies and stock exchanges that corporate governance had to be taken seriously or there would be serious repercussions. As a result, the Securities and Exchange Commission (SEC) and many exchanges, such as the New York Stock Exchange, created a set of rules for companies to follow," writes Denise Chochrek in her article *How to Research Corporate Governance Issues* that appeared in 'Information outlook.'

According to Denise Chochrek, "Corporate governance is all about clear disclosure, making sure that a company is accountable to its shareholders and that it is upholding integrity and independence ... Are the independent directors truly independent? Are the board of directors and top management being paid fairly for their services? How does the rest of the world view the company? Has the company's reputation been damaged by bad press?"

The articles included in this section explain the issues relating to corporate governance procedures and practices.

For additional information, a webliography is presented here for your use. However, the inclusion of Internet sites other than those of the U.S. government should not be construed as an endorsement of the views contained therein. The websites are current as of date and are subject to change at any time.

Asian Institute of Corporate Governance
http://www.aicg.org/

Center for International Private Enterprise
http://www.cipe.org/programs/corp_gov/index.htm

The Conference Board
http://www.conference-board.org/knowledge/governance.cfm

Corporate Governance
http://www.corpgov.net/

The Corporate Governance Encyclopedia
http://www.encycogov.com/

Corporate Governance Quotient
http://www.isscgq.com/gcgq/g_central.asp

The Corporate Library
http://www.thecorporatelibrary.com/

European Corporate Governance Institute
http://www.ecgi.org/

Global Corporate Governance Forum
http://www.gcgf.org/index.htm

Institutional Shareholder Services
http://www.issproxy.com/

International Chamber of Commerce - Corporate Governance
http://www.iccwbo.org/cg.htm

International Corporate Governance Network
http://www.icgn.org/

Investor Responsibility Research Center
http://www.irrc.org/

National Association of Corporate Directors
http://www.nacdonline.org/

OECD - Corporate Governance
http://www.oecd.org/topic/0,2686,en_2649_37439_1_1_1_1_37439,00.html

U.S. Agency for International Development
http://www.usaid.gov/our_work/democracy_and_governance/technical_areas/anti-corruption/

U.S. Department of Justice
http://www.usdoj.gov/criminal/fraud.html

U.S. Securities and Exchange Commission
http://www.sec.gov/

The White House
http://www.whitehouse.gov/infocus/corporateresponsibility/

1. BETWEEN SELF-REGULATION AND THE ALIEN TORT CLAIMS ACT: ON THE CONTESTED CONCEPT OF CORPORATE SOCIAL RESPONSIBILITY
By Ronen Shamir. Law & Society Review, 2004, pp. 635-664.

Using Alien Tort Claims Act suits against multinational corporations as an immediate context for discussion, this article explores the emerging field of corporate social responsibility. The article argues for an understanding of concrete legal struggles as part of broader competing strategies for regulating corporate obligations to a multitude of stakeholders. By identifying and analyzing the positions of concrete actors who operate in the field, the main thesis of this article is that the field strongly tilts in the direction of voluntary and self-reliant models of corporate responsibility. The article identifies this process as consistent with the privatization of regulative structures in general and with extant modeling of corporate governance in particular, and points at the correlation between these trends and the interests of multinational corporations.

2. BEYOND BI: BENEFITING FROM CORPORATE PERFORMANCE MANAGEMENT SOLUTIONS
By Steven Miranda, Financial Executive, March/April 2004, pp. 58-61.

This article presents information on corporate performance management solutions. This solution, if properly deployed and used, can help users regain control over their organizational credibility and remove barriers throughout the enterprise. Broader than scorecards and executive dashboard products, corporate performance management enables managers to get a handle on their business, understanding and responding to the changes and trends that are taking place, and use this information to collaborate across the enterprise. Corporate performance management is not a technology but a management process. It is more than the creation of actionable business strategies through the application of scorecards. Once a business has identified key technology suppliers, it can start the process of deploying corporate performance management by considering a single area of business to start with, which could include financial, internal process, learning/growth and customers. The key to corporate performance management is measurement and deciding what needs to be measured, how it needs to be measured and when.

3. THE CASE FOR CONTINGENT GOVERNANCE
By Paul Strebel. MIT Sloan Management Review, Winter 2004, pp. 59-66.

This article provides a framework for contingent corporate governance. To deal with externalities and agency problems, boards have an ongoing portfolio of activities, including

auditing, oversight mechanisms, company policies, compensation incentives succession planning and so on. The dominant subset of such activities is called the driving governance role. The driving governance role must change with shifts in the importance and nature of the externalities that shape the agendas of shareholders and stakeholders, as well as with shifts in the agency problems created by dysfunctional managerial power. When managerial power is effective, in the sense that it promotes the creation of long-term economic value and does not manipulate the way that value gets shared, the board can restrict its activity to monitoring the value-creating performance of the company and developing policy to govern the distribution of value to shareholders and other stakeholders. The key to preempting governance problems is the ability of the board to shift its dominant role early enough to deal with emerging issues.

4. CHIEF COMPLIANCE OFFICER: ENSURING SELF-GOVERNANCE RESPONSIBILITIES
By Wayne Schmidt. Public Management, July 2004, pp. 26-28.

"In the past 20 years, there have been spectacular scandals involving major businesses, savings and loan associations, and brokerage houses. Executives and their accountants cooked the books and then shredded and altered documents to cover their misconduct. This provided the impetus for the Sarbanes-Oxley Act of 2002 (SOX), which requires publicly traded companies to adopt and periodically review the effectiveness of their internal controls systems," writes Wayne Schmidt. The author examines the concept of a centralized compliance system and details the duties and responsibilities of a chief compliance officer. Among other things, he tackles how a criminal justice compliance office works, the components of an effective compliance system, and the benefits of a central compliance office.

5. COMMUNICATING GOOD GOVERNANCE TODAY
By Kelli Parsons. Public Relations Strategist, Winter 2005, pp. 6-9.

Parsons examines the impact the corruption in corporate America has had on financial communications as the pre-trials for the former CEOs of Tyco and WorldCom began. The results of a most recent Corporate Reputation Watch survey reflect a measurable shift in the mind-set of senior management worldwide. Increasingly, executives understand the growing importance of reputation management as a discipline that requires senior-level attention, accountability and intellectual rigor. The author believes that there may be more governance challenges for corporate America and executive compensation is likely the next battleground. Regardless of one's point of view on the compensation issue, the lessons of the past three years are relevant. Transparent, ethical leadership and honest internal and external communications protect a company's most prized asset -- its credibility.

6. A COMPREHENSIVE STRUCTURE OF CORPORATE GOVERNANCE IN POST-ENRON CORPORATE AMERICA
By Manuel A. Tipgos and Thomas J. Keefe. CPA Journal, December 2004, pp. 46-50.

This article focuses on the need for managers to rebalance or equalize corporate governance to control management fraud and to promote accurate financial reporting. The authors discuss implementation of the Sarbanes-Oxley Act that governs the conduct of corporations in the U.S. as a matter of federal law; changes that have occurred in the social and economic status of employees in the past 10 to 15 years; and the importance of enforcing a company's code of ethics. The authors write, "The principal weakness of corporate governance today is the excessive concentration of power in the hands of top management. Rebalancing or equalizing this power is a prerequisite for controlling management fraud and promoting accurate financial reporting. To regain the confidence of the financial markets, a revolutionary approach to corporate governance is needed. Formally recognizing employees as a group and as key participants in the corporate process, rather as a factor of production and a commodity traded in the labor market, is an important element in a transition to a more balanced governance structure."

7. CONFLICT OF INTEREST AND GOVERNANCE: NEW APPROACHES FOR A NEW ENVIRONMENT
By James E. Orlikoff and Mary K. Totten. Trustee, April 2004, pp. 15-20.

Presenting details of a good conflict-of-interest policy, the authors write, "Due to the continuing parade of corporate scandals, increased media attention, and enhanced scrutiny by regulators and legislators, there is more sensitivity than ever before about the importance of ethical governance. The most effective health care boards are engaged in thoughtful and thorough examinations of themselves, their practices and their policies. They conduct these examinations not only to ensure that they are up-to-speed with current requirements and regulations, but also to stay ahead of the rapid changes in governance accountability." To address this issue, the Internal Revenue Service requires that not-for-profit health care organizations must have conflict-of-interest policies for their boards and members in order to receive and retain the organization's tax-exempt status. The authors write, "The first problem, however, is that the board doesn't necessarily follow all of these policies, and secondly, most of these policies were created before governance accountability began receiving so much attention and are not up-to-date."

8. CONTROL AND COLLABORATION: PARADOXES OF GOVERNANCE
By Chamu Sundaramurthy and Marianne Lewis. Academy of Management Review, July 2003, pp. 397-415.

Corporate governance is an increasingly provocative topic, evident in ongoing debates between proponents of control versus collaborative approaches. Sundaramurthy and Lewis accommodate these contrasting approaches within a paradox framework, using agency and stewardship theories to elaborate the underlying tensions and to emphasize the value of monitoring, as well as empowerment. Building from these tensions, the authors examine reinforcing cycles that foster strategic persistence and organizational decline. They conclude by discussing means of managing control and collaboration, highlighting the implications for corporate governance.

9. CORPORATE GOVERNANCE
By Ronald Berenbeim. Vital Speeches of the Day, November 15, 2004, pp. 87-89.

In his speech, Ronald Berenbeim believes that the outlook for improved business ethics in governance depends in large measure on understanding institutional and human limitations. According to him, the lesson of the last decade is that institutional and human vigilance (regardless of the laws on the books and director reputation for probity and experience) all but vanishes when markets rise. "As in the past, the market has proved to be the most effective factor in behavioral modification. Ultimately, the market views the arithmetically challenged notion that two plus two equal anything but four with a minimum of sentiment. It cares little for reputations -- social or political," he writes. Berenbeim adds, "One can legitimately speculate whether any law or commission prescription is comparable to the market's ability to engage the attention of directors and executives who have found it convenient at least for a time to ignore the limits imposed by sound financial and business practice."

10. CRAFTING INFORMATION TECHNOLOGY GOVERNANCE
By Ryan Peterson. Information Systems Management, Fall 2004, pp. 7-22.

According to Peterson, Information Technology (IT) governance has emerged as a fundamental business imperative, and rightfully so, because it is key to realizing IT business value. IT governance describes the distribution of IT decision-making rights and responsibilities among different stakeholders in the enterprise, and defines the procedures and mechanisms for making and monitoring strategic IT decisions. This article presents a holistic view of IT governance, in which structural, process, and relational capabilities are an integral part of an effective IT governance architecture. The article concludes with an IT Governance Assessment Process (ITGAP) model, with which business and IT executives can assess the effectiveness of their company's current IT governance architecture.

11. THE DYNAMICS OF THE BOARDROOM
By Lorin Letendre. Academy of Management Executive, February 2004, pp. 101-104.

The article focuses on the importance of boardroom dynamics in corporate governance. A 1999 Korn/Ferry survey was sent to over 7,000 directors of 902 publicly traded Fortune 1000 firms. The authors correlated the survey results with their measure of corporate return on investment. A total of 1,016 responses were received from 354 companies with a response rate of 13 percent. Five attributes of effective boards are knowledge, information, power, rewards and opportunity/time. While there are significant differences between rates of return for boards that employ the highest-rated principles and practices, they are still tangential to the question of the quality of interaction among board members. Richard Leblanc, a Canadian researcher at York University's business school showed that board process has an important relationship to board effectiveness and corporate performance even more important than board structure. A study by Ira Millstein and Paul MacAvoy has focused on board behavior and practices rather than board structure and elicited some positive correlations between constructive board behaviors and corporate performance. Probably the most significant recommendation that real-world governance experts agree on

with regard to boardroom dynamics is that boards need to have open challenging interchange between directors and the chief executive officers and among the directors.

12. EDUCATING THE BOARD
By Susan J. Wells. HR Magazine, February 2005, pp. 46-52.

Wells focuses on the involvement of human resource managers in providing education and training to boards of directors. "HR plays an increasingly vital role in helping directors gain the skills and experience they need to oversee complex corporate activities," writes Susan J. Wells. She adds, "HR professionals' experience in bread-and-butter corporate areas such as compensation, benefits, succession planning, employee training, recruiting and due diligence uniquely positions them to work in concert with their companies' corporate governance team. While many board compensation and nominating committees tap HR officers to advise them on pay and retainer issues and to research board appointments, the potential exists for them to get even more deeply involved." INSETS: *One Director's Experience* and *Customized, In-House Programs Gain a Following.*

13. HOW TO RESEARCH CORPORATE GOVERNANCE ISSUES
By Denise Chochrek. Information Outlook, January 2005, pp. 15-17.

"For the past couple of years the term corporate governance has been whispered reverently in the hallways. This topic has reached out and touched almost every public company." Here, Chochrek discusses what is corporate governance, and how it affects information professionals." According to her, "Corporate governance has been of interest for a number of years but it was not until Congress passed the Sarbanes-Oxley Act of 2002 that it became critical. This law instructed companies and stock exchanges that corporate governance had to be taken seriously or there would be serious repercussions. As a result, the Securities and Exchange Commission (SEC) and many exchanges, such as the New York Stock Exchange, created a set of rules for companies to follow."

14. THE NEW ROAD TO THE TOP
By Peter Cappelli and Monika Hamori. Harvard Business Review, January 2005, pp. 25-32.

In this article Peter Cappelli of the Wharton School of Business at the University of Pennsylvania and Monika Hamori of Instituto de Empresa describe the career histories of the top ten executives at 100 big companies, comparing them with the paths followed by a matched set of executives one generation ago. For instance, compared to 1980 executives in 2001 are younger, more of them are female, and fewer of them were educated at elite institutions. Additionally, they're making it to the top faster, taking fewer jobs along the way, and are increasingly moving from one company to another as their careers unfold. The authors describe their study, which quantifies the transformation of executives over the two decades, highlight its key findings, and examine what the transformed corporate environment means for executives who are mapping out careers. INSETS: *How the Study Was Done*; *Speed to Top Depends on Industry*; *Young Firm, Old Firm*; and *Graduates of Elite Schools Lose Ground.*

BUSINESS & ECONOMICS

15. THE DEMOCRATIZATION OF STRATEGY AND CHANGE
By John Smythe. Communication World, March/April 2005, pp. 32-35.

The article discusses democratization of organizational change and strategy in public and private sector organizations. Once upon a time, most strategy and change programs were conceived by elite groups of company insiders and mysterious consultants, and were hidden behind impressively bound volumes bearing code names such as Columbus, Mars Landing, Deep Black or, in one case, Barney, after the sponsor's dog. While there are still some circumstances where secrecy and speed are considered of the essence, such as dire financial crises and potential mergers, there are other situations where the change plan or strategy is much enhanced by well-thought-out consultation or engagement of those who will have to implement and sustain it. This is particularly true in operational or service organizations, where solutions and breakthroughs often lie in the collective intelligence of those doing the work. Engagement is a social process by which leaders and employees become personally implicated in the performance of their own team in the context of contributing to wider organizational change, strategy, transformation, operational improvement or day-to-day performance.

16. TRADING PLACES
By Peter F. Drucker. National Interest, Spring 2005, pp. 101-107.

"The New world economy is fundamentally different from that of the fifty years following World War II. The United States may well remain the political and military leader for decades to come. It is likely also to remain the world's richest and most productive national economy for a long time (though the European Union as a whole is both larger and more productive). But the U.S. economy is no longer the single dominant economy," argues the author. Peter F. Drucker is writer, management consultant and Clarke Professor of Social Science and Management at the Claremont Graduate University in Claremont, California.

17. WHY THE MOVE TO FREE TRADE? DEMOCRACY AND TRADE POLICY IN THE DEVELOPING COUNTRIES
By Helen V. Milner, et al. International Organization, Winter 2005, pp. 107-143.

The authors discuss that the rising international trade flows are a primary component of globalization. The liberalization of trade policy in many developing countries has helped foster the growth of these flows. Preceding and concurrent with this move to free trade, there has been a global movement toward democracy. They argue that these two trends are related: democratization of the political system reduces the ability of governments to use trade barriers as a strategy for building political support. Political leaders in labor-rich countries may prefer lower trade barriers as democracy increases. Empirical evidence supports our claim about the developing countries from 1970-1999. Regime change toward democracy is associated with trade liberalization, controlling for many factors. Conventional

explanations of economic reform, such as economic crises and external pressures, seem less salient. Democratization may have fostered globalization in this period.

INTERNATIONAL POLITICAL RELATIONS & SECURITY

18. AMERICA'S EMPIRE BY DEFAULT
By Carl Cavanagh Hodge. Orbis, Winter 2005, pp. 61-73.

Hodge presents information on the history of the United States' imperial ambitions. The current foreign policy of the U.S. is consistent with its past approach to foreign affairs as a nation that acts beyond its own limited interests. Hodge shows the great similarities and continuities between the earlier British role in the world, particularly in world order, and the contemporary American role. For both Britain and America, the achievement of international leadership and the establishment of an imperial order were driven by real economic and security needs. Hodge's approving portrayal of an American empire greatly contrasts, therefore, with the account given by Clark, who sees the contemporary U.S. drive toward empire as the natural outgrowth of America's fundamentalist and evangelical ideas, rather than of its economic and security interests. Hodge's account also contrasts with that of Hendrickson who sees the contemporary U.S. drive toward empire to be a departure form the natural and traditional way the United States has conducted its international relations.

19. HURTING THE WORLD'S POOR IN MORALITY'S NAME
By Barbara Crossette. World Policy Journal, Winter 2004/2005, pp. 57-62.

The author writes, "Obscured by the debate over the Bush administration's occupation of Iraq and the tactics of antiterrorism warriors at home, there is another Bush legacy, one that threatens to undercut development in the poorest, most vulnerable nations, with more loss of goodwill for the United States. Four years of ideologically driven, unrealistic, and outdated social policies have turned American foreign aid into a vehicle for the most intractable, irrational, and uninformed elements of the conservative right." Barbara Crossette, a writer on international affairs, was a chief *New York Times* correspondent in Asia and at the United Nations.

20. INSIDE THE COMMITTEE THAT RUNS THE WORLD
By David J. Rothkopf. Foreign Policy; March/April 2005, pp. 30-40.

This article focuses on the divisions within United States President George W. Bush's national security team. The inner circles of the U.S. national security community--members of the National Security Council (NSC), a select number of their deputies, and a few close advisors to the president -- represent what is probably the most powerful committee in the history of the world, one with more resources, more power, more license to act, and more ability to project force further and swifter than any other. An increasingly bitter philosophical debate pits the supporters of the policies of former President George H.W. Bush and many of his one-time team of foreign-policy experts, led by former National Security Advisor Brent Scowcroft, against those who back views embraced by President

George W. Bush and his team, led by Vice President Dick Cheney, Secretary of Defense Donald Rumsfeld, and Secretary of State Condoleezza Rice. As the transition from the first to the second term of the Bush administration takes hold, many of its current and former members and others inside the Republican Party foreign-policy establishment are beginning to open up and speak their minds about the character of the key players and their relationships within these inner circles. The NSC's power has expanded since the end of the Cold War, as critical constraints on its operations have been removed or reduced. Rice's view of the presidency and her ideas about how the executive branch was intended to function came, as it did for many members of the Bush team, from her experience as an NSC staffer during the administration of George H.W. Bush -- and, in particular, from her tutelage at the knee of Scowcroft. Rice is at the center of the divide within the administration, pulled between her traditionalist mentor and her transformationalist president. This tug of war has produced repeated tense exchanges between Rice and Scowcroft over his critique of the administration's policy in Iraq. INSETS: *Two Degrees of Henry Kissinger*; and *Want to Know More?*

21. THE NUCLEAR CONUNDRUM
By Lawrence Scheinman and William Potter. Harvard International Review, Winter 2005, pp. 24-27.

The authors, both professors at the Monterey Institute of International Studies, note that the world is still trying to deal with the challenge of developing peaceful uses of atomic energy while preventing the spread of nuclear weapons. The Nonproliferation Treaty has been the single biggest achievement toward this goal, however, Scheinman and Potter write that much has changed from the Cold War environment in which the NPT was signed. They note that key changes are strengthening International Atomic Energy Agency inspections and endeavors such as the Proliferation Security Initiative, in which coalitions of nations work together to interdict the illicit trade of nuclear weapons. They note that there are no simple solutions to controlling the spread of nuclear technologies, and "no government or international entity can afford to ignore the dilemma," as energy demand continues to grow and nuclear power will be called on to meet that demand.

DEMOCRACY & HUMAN RIGHTS

22. GLOBAL GOVERNANCE AND GLOBAL POLITICS
By Manuel Castells. PS Political Science and Politics, January 2005, pp. 9-16.

Castells writes, "The world is undergoing a process of structural transformation in multiple dimensions: technological, economic, cultural, and institutional. This creates as many opportunities as it induces perils. Perhaps the most fundamental problem we now face is the crisis of political institutions in charge of managing the transition. We know the problems, we understand the issues, and in many countries there is enough political will to tackle the questions to be addressed. However, the organizational and institutional tools of governance are either insufficient or inadequate. Furthermore, the crisis of governance is related to a crisis of political legitimacy, characterized by increasing distance between citizens and their representatives. Both crises feed into each other, threatening with political paralysis and opening the way both for authoritarian policies and for demagogic revolts."

23. PERSPECTIVES ON HOW GOVERMENTS MATTER
By Peter Smith Ring, et al. Academy of Management Review, April 2005, pp. 308-320.

This special topic forum explores how governments matter in a number of ways: the extent to which government action can foster industry creation and economic development, the impact of corrupt governments on firm-level decision making by managers of multinational enterprises, the concept of the attractiveness of political markets and the impacts they can have on firm-level strategies, and how deregulation can affect the governance mechanisms of firms. Here the authors offer four views on research issues intended to complement the STF articles and to suggest other avenues for fruitful research.

COMMUNICATION & INFORMATION

24. DIGITAL RIGHTS AND WRONGS: INTELLECTUAL PROPERTY IN THE INFORMATION AGE
By Norman E. Bowe. Business & Society Review, Spring 2005, pp. 77-96.

Bowe refers to Richard T. De George who built on his lectures on business ethics and information technology to write a book on the topic. His chapters on intellectual property makes use of some important examples for sharing music over the Internet. The examples distinguish between what is legal and what is moral. Joe's taping of a movie on one of the television channels is legal. Tom's copying it from someone who supplies it on the Internet is illegal. Because he makes copies for his personal use, Joe reasons that he may also make copies of music played on the radio or those he gets via the Internet. The principle of fair use seems to be the same. However, one is legal and the other is technically illegal. But Joe thinks that both actions are morally right. This article argues that Tom's actions are wrong and that Joe is wrong when he thinks that it is morally irrelevant whether he copies music on his videocassette recorder or from the television channel MTV, or whether he gets his music from persons or organizations that provide it for free over the Internet.

GLOBAL ISSUES

25. THE DEVELOPMENT CHALLENGE
By Jeffrey D. Sachs. Foreign Affairs, March/April 2005, pp. 78-90.

Examining the role of the U.S. in international humanitarian aid and development, the author writes, "Only a new U.S. international development strategy can avoid this outcome by achieving the objectives set forth in the Millennium Declaration, the Monterrey Consensus, and the National Security Strategy. Embarking on a new, practical course of assistance will have short-term costs, but the long-term benefits will far outweigh them. Continued failure, on the other hand, will be far too expensive to bear."

26. GANG WORLD

By Andrew V. Papachristos. Foreign Policy, March/April 2005, pp. 48-55.

The increasing mobility of information via cyberspace, films, and music makes it easy for gangs, gang members, and gang wannabes to get information, adapt personalities, and distort gang behaviors. Most often, these images of gang life are not simply exaggerated; they're flat-out wrong. Although the media like to link gangs and drugs, only a small portion of all gangs actually deal in them. There have been a handful of extreme examples that suggest that some gangs do in fact have the global reach necessary to commit terrorist acts. The globalization of the world economy, and the resulting exodus of manufacturing jobs from developed urban centers to the developing world, has left poor neighborhoods geographically and socially isolated. Not surprisingly, street gangs and gang violence have increased dramatically with globalization. Scores of gang members go through the revolving criminal justice door and return to communities that offer no viable employment opportunities. In some prisons, gang members are trained for jobs that are not available when they are released.

27. MISSED OPPORTUNITIES
By Laurie Garrett and Scott Rosenstein. Harvard International Review, Spring 2005, pp. 64-71.

Addressing the UN General Assembly Special Session on HIV/AIDS in June 2001, UN secretary-General Kofi Annan declared, "For there to be any hope of success in the fight against HIV/AIDS, the world must join together in a great global alliance." Large-scale initiatives from multilateral agencies, deep-pocketed foundations, and the U.S. government infused hope into an area that has historically been underfunded and overshadowed. But today the optimism is dangerously close to slipping away. The entire global health effort seems to be descending into bureaucratic and economic quicksand similar to that, which has trapped other international development programs for decades. Programs are competing with each other, and key donors are shying away from the multilateral Global Fund in favor of bilateral programs. The approaches and effectiveness of the major players in the global health arena must be reexamined. As these efforts move forward, new avenues of communication and cooperation must be established to mitigate current obstacles while capitalizing on new opportunities.

28. THE SECOND GREAT TRANSFORMATION: HUMAN RIGHTS LEAPFROGGING IN THE ERA OF GLOBALIZATION
By Rhoda E. Howard-Hassmann. Human Rights Quarterly, February 2005, pp. 1-40.

The author argues that globalization is the second great transformation spreading capitalism over the entire world. Many of its short-term effects will be negative. Nevertheless, its medium and long-term effects may well be positive, as it impels social changes that will result in greater moves to democracy, economic redistribution, the rule of law, and promotion of civil and political rights. Capitalism is a necessary, though hardly sufficient condition for democracy: democracy is the best political system to protect human rights. Here, Howard-Hassmann discusses the impact of globalization in promoting and moving forward democracy and human rights agenda.

U.S. SOCIETY, VALUES & POLITICS

29. THE PERILS OF HIGHER EDUCATION
By Steven Kotler. Psychology Today; March/April 2005, pp. 64-68.

Steven Kotler reports, "Normal human beings spend one-third of their lives asleep, but today's college students aren't normal. A recent survey of undergraduates and medical students at Stanford University found 80 percent of them qualified as sleep-deprived, and a poll taken by the National Sleep Foundation found that most young adults get only 6.8 hours a night." He focuses on the influence of school environment and lifestyle changes during the higher education years on the learning ability and memory of students.

SCIENCE & TECHNOLOGY

30. FINDING BETTER WAYS TO DIE
By Lane Jennings. Futurist, March/April 2005, pp. 43-47.

This article discusses that just as we learn various skills to improve our odds of achieving what we want from life, so we can influence how we are likely to die. One step many people take is to consciously avoid high-risk behaviors (such as smoking, unprotected sex, or not wearing seatbelts) that are likely to lead to an early or painful death. A more deliberate step might be to discuss death options openly with your doctor. To take still more control, you may wish to learn about options for suicide, with or without assistance. Having the power to leave life at will -- much as we now give bedridden patients a button to control the flow of their pain relievers -- could actually relieve anxiety and make life seem more worth living.